

ADDENDUM# 1
CONSULTING ACTUARIAL SERVICES
BID# 6694RFP

April 11, 2019

Dear Vendors:

The contract Bidding Documents pursuant to Bid#6694 RFP are hereby revised as follows:

Many similar questions were received regarding the current actuarial firm. The following narrative should address those questions. The current firm is Hooker & Holcombe. They have been providing actuarial services for the Town and Pension Board for the last four years. The term of the contract will expire on June 30, 2019; this is the reason why we are out to bid. I assume the current Actuary will submit a proposal for the new contract term. There are no concerns on the Town's part with the quality of work received from them. It is the Town's preference to contract with a single firm for both the Pension and OPEB valuations. Attached are copies of the 2017 and 2018 Pension valuations, the 2017 OPEB valuation and a recent investment report.

1. What were the fees charged by the current actuarial firm? *See attached fee schedule.*
2. What are the fees charged for benefit calculations? *Benefit calculations are performed by Town staff.*
3. What are the fees charged for benefit statements? *If a benefit statement is requested, it is performed by Town staff. We do not prepare or distribute annual individual active employee or pensioner benefit statements.*
4. What were the total fees paid over the last two years? *The fees that were paid over the last two years were consistent with the attached pricing schedule.*
5. Would the Town consider some limitation of liability on the work performed by the contracting actuarial firm? *I would suggest that any proposal submitted that takes exception to any requirement in the RFP, state that exception and offer an alternative. Whether or not the Town will accept that exception and alternative cannot be answered at this time.*
6. What factors will determine the frequency in which the Town requests pension valuations; should we include annual or biennial valuations in our pricing? *Please refer to Section A; Terms and Conditions, Item#1 Summary of Principal Services Required.*



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Our current process requires a full valuation followed by an interim valuation schedule, however please submit pricing for a full valuation annually as well, should a future decision to change the existing full/interim schedule be made.

7. When do current labor contracts end; when will negotiations begin? *We are currently in contract negotiations with a majority of our bargaining units. The largest unions, Police and Fire, have recently settled their contracts.*
8. The scope of services mentions attending up to five meetings per year. How many meetings on average has the current actuary attended over the last three years? Should our pricing include five meetings in the fixed fee or would the Town be willing to accept a proposal that included three meetings in the fixed fee? *The RFP calls for one initial meeting with the Pension Board and up to five additional meetings so I would price your proposal in that manner. I do not recall how many meetings the actuary attended over the last three years.*
9. The contract term as stated in the first paragraph of the introduction and the Fee section is incorrect. The initial term of this contract will be for four fiscal years as follows:

July 1, 2019 to June 30, 2020

July 1, 2020 to June 30, 2021

July 1, 2021 to June 30, 2022

July 1, 2022 to June 30, 2023

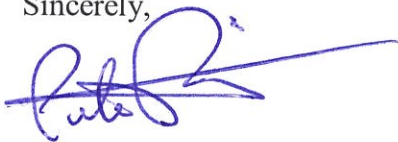
There is an option for 2 additional fiscal years beyond the initial term:

July 1, 2023 to June 30, 2024

July 1, 2014 to June 30, 2025

END OF ADDENDUM #1

Sincerely,



Peter Privitera

Director of Finance